

Ban on Immigration Will Provide Work for All Except the Uplifters

That, at Least, Is the Opinion of T. N. Carver, Who Argues Policy Will Tend to Keep Wages High in America

By T. N. Carver,
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THE FRIENDS of the American wage worker fall into two classes: first, those who flatly tell him and cultivate his friendship by telling him what he likes to hear; second, those who are trying to create conditions under which he can prosper and still retain his independence without help from any one. They who favor the restriction of immigration fall into the latter class.

Every known economic law that bears on the case at all leads to the conclusion, first, that a restriction of immigration will put the American laborer in a better position to bargain to his own advantage and to secure good wages for himself; second, that unrestricted immigration gives the employer of labor an advantage in the bargaining process and enables him to hire labor on somewhat better terms for himself. The writer will undertake to defend both these conclusions against all comers.

Restricted Immigration

Makes Labor Scarce Here

During the last year ship carpenters have been getting good wages. One very important reason was that there was a large demand for and a limited supply of them. If there had been a large supply from some other country which could have been drawn upon indefinitely the wages of ship carpenters would not have been so high. Any one who would have advocated drawing largely upon that outside supply would have been a friend of the employers, and not of the ship carpenters. Any one who would have favored a restriction upon the importation from the out-

side would have been a friend of the ship carpenters, and not of the employers.

It is not for me to say whether one ought to have been on the side of the employer or on the side of the ship carpenters in such a situation as that. The question is, What would have been the attitude toward immigration of the man who was really on the side of the ship carpenters, and what would have been the attitude of the man who was really on the side of the employers?

Why Not Import Employers of Labor?

The principle involved here is simply the old rule that when laborers are scarce and hard to find wages tend upward, and when they are numerous and easy to find wages tend downward. A restriction of immigration, even more, an exclusion of immigration to this country, tends to make laborers scarce and hard to find. Unrestricted immigration tends to make them numerous and easy to find.

If we could import fifty thousand ready-made employers, with the technical skill, managing ability and accumulations of capital that would enable them to start new industrial enterprises at once to compete with our native employers, that kind of immigration would be worth while from the laboring man's point of view. That would greatly increase the demand for laborers. Each employer would then find that laborers were scarce and hard to find. Employers would then have to bid against one another to get laborers to work for them. This would not be so very pleasant for our native employers, but it would be immensely pleasant for the native laborers.

The immigrants into the Philip-

pine Islands from the United States are mainly of this sort, but immigrants into the United States from Europe are not. Instead of swelling the numbers of employers relatively to the numbers of the employed, thus creating a balance favorable to the laborers and unfavorable to the employers, they swell the numbers of the laborers relatively to the number of employers, and thus create a balance favorable to the employers and unfavorable to the laborers.

Self-Interest—And One's Social Opinions

When one finds a journal like "The Nation" expressing such unctuous regard for the laborer and at the same opposing restriction of immigration, one cannot help remembering that "The Nation" is owned and run by men to whom a large supply of cheap labor is a financial advantage. When one finds a certain type of social uplifter engaged in carrying the culture of the well to do classes to the slums and at the same time opposing a restriction of immigration, one cannot keep down one's suspicions, especially when one wonders what these people would find to do if laborers should become so scarce and hard to find as to enable all laborers to get high wages. Please understand, the writer does not charge any of these people with hypocrisy. The French have a saying, "Why be a hypocrite

when it is so easy to deceive yourself?"

Labor Market Functions Simply

It is argued on the other side that the case is by no means so simple as I have stated it. That I deny flatly. The case is exactly as simple as I have stated it. They who try to introduce complications and subtleties into the argument are only trying to confuse the argument and lead astray those minds that have not enough economic training to enable them to keep their bearings in the midst of the wind and noise of political controversy. Every counter argument that has ever been urged is easily understood and easily answered.

It is said, for example, that since labor produces everything, therefore there cannot by any possibility be too much labor until there is too much of everything that labor produces. To begin with, one might ask, why then is it ever necessary for labor to move from one place to another, why should it come here at all, or when here, why should any of it move West? The answer is that there may be too much in one spot. Again, there may be too much of one kind to balance up the other kinds that have to be used with it. For example, it may be possible that there could never be too many hod-carriers, but if there were in one place more than were needed to wait

upon all the masons that were there, there would, at least locally and temporarily, be too many hod-carriers. If there were more masons, also more of the other men and agencies necessary to utilize more masons, then more hod-carriers could be employed.

Normal Balance a Goal for Educators

In short, industries must be balanced up, just as the soil of the farmer or the nation of a man must be balanced. Possibly we have never had too many cranberries, but when sugar was scarce last winter people did not care to buy many cranberries. That situation has precisely the same effect on the cranberry market as though there had been absolutely too many cranberries. A nation needs a balanced population. If there is more of one kind of labor than is needed to balance up the other kind, the kind that is relatively too abundant will be as badly off as though there were absolutely too much of it.

Our whole system of popular education is and ought to be designed to redistribute our population occupationally so as to create a normal balance. It should aim to reduce the number of unskilled laborers as to make them somewhat scarcer and harder to find than they now are. It should also aim to increase the number of highly trained mental workers, business men, captains of

industry, as to make them much more numerous than they now are. If that process could go on unhindered and without counteracting or nullifying influences, in a short time we should have a nation so well balanced as to approximate as closely to equality as it is possible to go without a general destructive levelling-down revolution of the Russian type.

Unrestricted immigration, however, counteracts the levelling-up tendency of our popular education and helps to nullify its results. The literacy test, mild as it was, was beyond all question the most beneficial, far-reaching and constructive bit of social legislation enacted during the present administration. It works in harmony with, and not contrary, to the levelling-up process of popular education. It tends to make ignorant and unskilled labor less abundant and harder to find, just as our free schools do. It tends to make intelligence and skill, relatively at least, more abundant, just as our schools and universities do.

Workers Anticipate Difficulties in Adjustment

During the war jobs increased faster than men. Men were therefore hard to find. For the hardest jobs, that is, for the army, the government conscripted some of the men. For the others, that is, for industry, the old method of offering a reward was retained. In proportion as men were harder to find the reward had to be increased.

Shutting Off Cheap Labor Supply From Abroad to Hurt Business of Spreader of Discontent, Professor Holds

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We are now facing a time when not so many men will be needed. The soldier and the munition workers must find places in other industries. It looks as though laborers would be much more numerous and much easier to find than in wartime. The laborers show by their actions that they anticipate a harder time in maintaining high wages than they had during the war. They are preparing to resist any tendency to reduce wages. Why all this worry? They know that there is need for worry on their part.

Bolsheviks Will Seek

Escape From Own Creations

Now suppose that, in addition to the released soldiers and munition workers who are to be thrown on the labor market, we should import a few hundred thousand additional workers, how will that affect the situation? Does one need to be an economist to venture a prediction?

Not only is there likely to be considerable immigration, but it is likely to be from those parts of the world where labor has the lowest standard of living. Bolsheviks in particular will have to leave the country of Bolshevism and go to some country where they can earn an honest living. The Bolshevik's own best chance will be to get away from Bolshevism and go to some country which has kept its senses, and where productive industry is encouraged and rewarded. He will, if he can, come here to get an honest job, but in so doing he will be making it harder for our own people to get jobs. Besides, he will, after he has got the job, do all he can to destroy the very conditions which gave him his job, and to create the

very conditions which made it necessary for him to leave the land of Bolshevism.

Mr. Burnett's bill to suspend immigration during the period of the demobilization and reabsorption of our armies and munition workers certainly looks like a mild enough measure, but it is another step in the right direction. It is not opposed to-day by any one who has not something to gain from cheap labor and hard conditions for the workingman. Any member of the so called upper classes, who never has to compete with immigrant labor, gains financially every time a cheaper laborer lands on our shores. Some of them, however, are able to rise above such considerations and to favor restrictions, even though it will be against their own financial interests.

Higher Wages Bad For Socialist Agitators

Every Socialist agitator knows perfectly well that Socialism will never have a ghost of a show if wages become so high and working conditions so good as they will become in this country if immigration is restricted. His only chance is to import such masses of cheap labor and to make working conditions so bad as to create dissatisfaction. Every social uplifter knows that he will have nothing to uplift if immigration is effectively restricted. When the labor market is properly balanced up, that is, when laborers are as hard to find as employers now are, wages will become so good as to enable the whole laboring population to uplift itself. The social uplifter will then be out of a job. Even so, the wisest of them are frankly and whole heartedly in favor of restriction.

After All, Is England Really Under Such A Tremendous Financial Obligation to Us?

British Holding of American Securities, Especially in Farm Mortgages, Large Enough to Counterbalance War Debt to the United States, Overseas Authority Contends; Says New World Is Logical Place for U. S. Trade Expansion

By Samuel Crowther

New York Tribune European Bureau

LONDON, Feb. 9.—I had a talk with Robert Fleming, the English authority on American investments, to-day, in the course of which he brought out these extremely important facts or opinions on the financial relations between Great Britain and the United States and most of which run quite contrary to what we in America have been taking as the truth:

1. That instead of England being heavily indebted to the United States and having in addition sold all of her American investments, the war debt of England to America will hardly exceed \$2,000,000,000 when the accounts are settled, and that the English investors still have probably more than that amount of money out in American securities, especially in farm mortgages.
2. That England has ample money for all her needs in the way of reconstruction of factories and the finance of foreign trade and will also have invested money for export and development abroad.
3. That New York cannot, because of its geographical situation, and unfamiliarity with world commerce, displace London as a world money market, but will rather be a new market to meet the expanding needs of the Western world.
4. That the logical and inevitable field for American activity is the Americas and that it will be there she will find her greatest opportunities.
5. That once labor is settled, England has no cause to fear her financial and commercial future and without the necessity for anything approaching a trade war, which would be suicidal.

Conceives Nothing

U. S. Cannot Do

Robert Fleming is not a well-known figure to the American public; but there is not a banker or a railroad man who does not know him, for he has directed the bulk of English investment in America for more than forty years. He is said to know more about American railroads than any man in America. Each year since 1873 and all through the panic years he has slipped quietly into the country, conferred with a few bankers, and then started on inspection trips which have in their entirety covered probably every foot of the United States.

Mr. Fleming is the English authority on American investments and has directed billions and billions of capital into American stocks and bonds. It would be hard to find a railway reorganization in America that was not put through without his counsel and assistance. There are international bankers who have their names more talked about (Robert Fleming never gets into the newspapers, and I think this is the first time that he has ever talked for publication), but there are none who carry more weight. Because of his experience and position he is a member of the committee appointed by Parliament to report on the financial condition and facilities of the British Empire on the financial preparedness for peace—and therefore what he says, although unofficial, probably represents the best financial opinion in England.

"I have always expected," he said to me, "that some day America would be a creditor nation. I did not see how it was possible long to postpone that condition. I have been going to America since 1873—going every year and travelling about to look at railroads and farms, and each year I have been more and more impressed with

the country's possibilities. You have a whole world there of your own—a world in which you could live without aid from the outside and without ever exhausting your home market. I cannot imagine anything which America cannot do now that you have the money. I have been going over all these years to invest money. Now," he added, with a quiet laugh, "I suppose that I shall have to go over and sell securities."

"Let England Worry About Settling Balances"

"There is a strong opinion in America," I said, "that the state of the accounts between England and America will make it necessary for us to leave our interest money abroad or we shall be swamped by too much money. With English investments withdrawn, the balance is very heavily against you, is it not?"

"Why do you not let us worry about that? Or worry about the money which other countries owe you? I am not at all sure that we owe you anything. Of course, we have sold great amounts of railway and other securities, but then again other very large amounts were loaned to the government in order to pledge against loans in your country to regulate the foreign exchanges. The government took these securities at scheduled prices, which are mostly above the present market rates, and they may buy them or return them to the owners; in either event the indebtedness is owed by you and the interest payments check against the payment of interest by us on war loans. But there is another large investment which has not been pledged and of which very little has been sold, and that is our investments in farm mortgage companies. I think there was some special arrangement that these should not be included in the collateral for loans because it would not do to run the danger of selling the collateral and putting your farmers in a bad position."

"These farm mortgages certainly are in excess of \$1,000,000,000. I do not imagine that we shall owe you more than \$2,000,000,000 in all, and our investments being mostly at a higher rate of interest than the war loans, will yield an annual sum which will just about balance the payments. That is, when things settle a little; everything is upset just now, for although we are out of fighting we are both at war and at peace, and one hardly knows how to act."

"Have you any fears for the future of England financially? Will the war debts be too great a burden?"

"It would not be right to say that I have no fears. I do not know what will be the ultimate effect of the money waste as represented by the munitions and other property destroyed, but that is really not so great an amount, after all, for the bulk of the expenditures has been in food and property that only substituted, extraneously, of course, for things which we would have required in peace. For people must eat and wear clothing, anyway, and it does not make a substantial difference in the national wealth whether the state or the individual does the paying."

Britain Very Far From Being Dead

"That which does worry me not a little is the rate of taxation and the attitude of labor. We are but a little island—we have not the possibilities of home development which you have—and we must trade out in the world. We must live on our ships and what they carry, and if our taxes are too heavy we may not be able to sell. And then, again, if our working people will not cooperate we shall be unable to remake goods at a price at which they

can be sold. I have been hoping that the example of your working people would have some influence here and we might get a better basis of cooperation. You know we are very far from being dead!"

"As far as money is concerned, we have plenty of it. It is inflated money, but in that respect we are no different from you. Your Federal Reserve banks have been issuing money, too. It is highly important that the nations cooperate in considering the question of international inflation."

"We shall need a great deal of money to reconstruct industry. Manufacturers will require advances to change their plants back to a peace basis and they will also require large working capitals, for goods and labor have so risen that the same working capital as before the war will not produce the same volume of output. In addition the engineering (manufacturing) and steel trades have increased their outputs to a large extent and we shall have to find money to finance their expanded capacities and hence their expanded markets. The money needs of England are:

"(a) For a considerable period after the war a greater demand for working capital, owing to the increased cost of labor and materials, the necessity for giving longer credit and the anticipated expansion in the volume of trade.

"(b) A greater demand for extended credits for the purpose of replacing, at higher costs, machinery and plant which have fallen into disrepair on account of the war.

"(c) Requirements for reconversion of plant and works which may in the course of the reconversion be between working credit facilities and new capital requirements in respect of permanent outlay.

"(d) New fixed capital requirements in respect of permanent outlay."

Fears No Scarcity In Supply of Money

"I do not fear a money shortage. The money which will need money may be divided into three classes. The first consists of firms which started in business shortly after the beginning of the war and they have been able to borrow to meet their needs or all their needs or have tangible property upon which to make advances. The second class comprises those firms which became engaged later in the war work and the taxation rate being high, have not had the opportunity to accumulate reserves. But their extensions have largely been written down in property in bricks and mortar. And finally come the firms organized purely for war work and without an established market for any pre-war product. It has been urged that these should not be allowed to peter out, and that state assistance should be given. Our committee was not in favor of taking the state into the finance of private industry because that would be unfair to private investors in unaided industry and might lead to incalculable lengths. I think that these industries will have to stand or fall upon their respective merits; if they are sound they will be able to get capital; if they are unsound it is in the national interest that they be wiped out."

"Many other matters are bound up in these requirements, and chief among them is the early settlement of a national fiscal policy, the rationing of raw materials, the satisfactory termination of the war contracts, and the disposal of the state owned factories and surplus war materials both raw and finished."

New World Best Field for Americans

"That however which impressed us as a paramount consideration is the re-establishment of the gold standard. That will put an automatic check on credit and reestablish the international market for gold. When we had a free market it became profitable to

Uncle Sam's Selling School By-Product of War Finance

How Venders of Thrift Stamps and Liberty Bonds Made Reputations as Salesmen and Won Places in Commercial Fields; 15,000 Trained Here

HAS Uncle Sam been running a

gigantic school for salesmen? It begins to look like it, as salesmen are already turning to the war savings stamp campaign in downtown Manhattan when Upton and his Brownings were brought down from the library and set to work selling stamps at the booth at Bowling Green. Before Upton finished the demonstration there, Mr. Smith had made him promise to come back and sell lumber for his company as soon as he got out of the army.

Of course, many professional salesmen joined the campaign. And there were many experts who did their best to instruct the army of volunteers in the art of selling. But whether it was the example of the professionals, the advice of the experts, or merely practice making perfect, the amateur salesman certainly did improve as time went on.

Many of these amateur salesmen have succeeded so well in selling stamps that they have decided they could sell other things as well, and they are making salesmanship their life-work. Sergeant Frank E. Upton, a war savings stamp salesman, who was one of the most familiar figures of the campaign, has just been offered a place as a salesman for one of the biggest New York lumber companies.

Before the war he was a machinist. He says himself he "never thought he could sell a thing." He enlisted in the Ordnance Department from his home town, Springfield, Mass. Because of his mechanical skill he was assigned to work on the Browning machine gun.

From Machine Gun To Salesman's Gun

He soon became an expert and an authority on the construction and operation of this deadly war invention of the United States. When he was told to take one of the machine guns to demonstrations planned as a feature of the war savings campaign he went along merely because he was proud of the wonderful weapon and delighted at the chance to show the public what an effective Hun-killer it would make.

The war savings authorities set up a booth in front of the Public Library, at the corner of Second Street and Fifth Avenue, as the best place to show the gun. It was the one corner that all New York and that large part of the population of the rest of the country that is always visiting New York was sure to pass. It was just when there was the most talk about the marvelous new rapid-fire gun that Sergeant Upton alone had the idea of using it to help the war effort. He was a salesman in the army, and he was a salesman in the exhibit.

Even at that corner, where the back-firing of the countless motor cars sometimes gives a fair imitation of a skirmish, there was no mistaking the snarling rat-tat-tat from the booth for anything but machine gun fire. Every "burst" Sergeant Upton fired drew a crowd.

For a while Sergeant Upton minded his own business, which was to put the machine gun through its paces, and he left the stamp selling to the other workers. But soon he began to take an interest in it. Before he realized it he found he was selling with the best of them. At that time he was a real estate salesman, and he was a real estate salesman in the city. He proved such an exceedingly live wire himself that he received half a dozen offers of exceptionally good jobs.

The one war savings stamp salesman who made the best individual record of them all is still holding down a non-selling job. He is Edward Nadel, a postoffice clerk in the Times Square postoffice station. Nadel's record of sales, all made in the last few months, has been a record in the evenings, totalling more than \$1,000,000. He made his great sale to the crowds in Times Square. He wrote all the other crack salesmen who worked this spot, he, an untrained man, set a record that none of the others came within a mile of. Needless to say he had plenty of offers of selling jobs, but postoffice work with war savings stamps selling on the side still satisfies him.

Uncle Sam's School Has 15,000 Graduates

Upton received his discharge a few days ago, and in a few days after he returns from a visit to Springfield, he expects to go to work at the job of salesman he learned, and also earned, while selling war savings stamps for Uncle Sam.

The story of the success of this one graduate of "Uncle Sam's School for Salesmen" suggested that others might have had similar experiences. Investigation showed there were many analogous cases and plenty of evidence that all of the 15,000 or more people who sold war savings stamps in Manhattan must have gained valuable training as salesmen from the work.

This training the amateurs have in reserve in case they ever want to fall back on selling. The professional salesmen are already turning to advantage the additional experience and training gained in Uncle Sam's great school for salesmen, the war savings stamp campaign.

Business authorities agree that the man who can sell is the man who is of the most value to a firm, because he is the man who directly brings in the profits. This increase in the number of trained salesmen and improvement of the training of many others are bound to be reflected in business.

Best Record Made By Postoffice Clerk

Charles E. Plumridge, Jr., who directed the sales at the theatre in Times Square and at other outdoor booths, was another who made a record in the campaign. He had gained in the campaign led him into a good job. He had been a millinery salesman before he got into the war savings work, but the job in the city was a real war work. He has won for him is worth far more than his former position.